

**Subpart A—Standards for Designation of Redevelopment Areas Under and Subject to Section 401(a) of the Act**

**§ 301.1 Designation on the basis of unemployment.**

On the basis of labor force data on unemployment supplied by the Secretary of Labor, EDA shall designate such redevelopment areas in accordance with section 401(a) of the Act.

**§ 301.2 Designation on the basis of loss of population.**

Such designation shall be made in accordance with section 401(a) of the Act, 42 U.S.C. 3161.

**§ 301.3 Designation on the basis of median family income.**

Such designation shall be made in accordance with section 401(a) of the Act.

**§ 301.4 Designation on the basis of American Indian lands.**

(a) EDA shall designate as Redevelopment Areas those American Indian reservations, American Indian trust land areas, and restricted American Indian-owned land areas, including Alaskan Native Villages, which manifest the greatest degree of economic distress.

(1) American Indian reservations shall consist of land areas which by official Federal or State action or recognition have been reserved for the use and benefit of a specific American Indian tribe or tribes, and shall include those lands to which the Federal or State Government retains title and may include tribally-owned lands, lands allotted to individual tribal members, and interspersed land belonging to non-American Indians.

(2) American Indian trust land areas shall consist of land areas held in trust by or under the authority of Federal or State Government for use and occupancy by American Indians.

(3) Restricted American Indian-owned land areas shall consist of land areas owned by American Indian tribes, but subject to restrictions on alienation or use imposed by Federal or State Governments.

(b) EDA shall make such designations of Redevelopment Areas upon consultation with the Secretary of In-

terior or an appropriate State agency and on the basis of unemployment and income statistics and other appropriate evidence of economic underdevelopment.

(c) EDA, upon consultation with the Secretary of Interior or an appropriate State agency, may designate uninhabited Federal or State American Indian reservations or trust or restricted American Indian-owned land areas where such designation would permit assistance to American Indian tribes, with a direct beneficial effect on the economic well-being of American Indians.

(d) When the determination of economic distress pertains to land areas that are not contiguous, it must be shown that there is a clear economic connection justifying the inclusion of the noncontiguous land areas that will contribute to a more effective economic development program for the area.

[60 FR 49678, Sept. 26, 1995, as amended at 61 FR 7982, Mar. 1, 1996]

**§ 301.5 Designation on the basis of sudden rise in unemployment.**

Such designation can be made under the Act when the following conditions are met:

(a) Where the loss, removal, curtailment, or closing of the major source of employment has occurred provided that:

(1) The major source of employment shall be construed as a single firm or industry; or

(2) Job losses in more than a single firm or in more than in a single industry may be considered in the aggregate where:

(i) There is a clear demonstrable economic connection between or among the firms or industries; or

(ii) More than one firm or industry has been affected by a common disaster.

(3) A major source of employment is when its loss, removal, curtailment, or closing has caused or can reasonably be expected to cause:

(i) An increase of 500 or more of unemployed persons in the area; or

(ii) An increase of 2 percentage points or more in the area's unemployment